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ARIZONA CORPORATION COMMISS  
UTILITY COMPLAINT FORMInvestigator: Carmen MadridPhone: (Fax:Priority: Respond Within Five DaysComplaint No. 2010 91705Date: 12/8/2010Complaint Description: 03D New Service - Main/Line Extensions  
19C Other - Company Policy/ProceduresFirst:Last:Complaint By: Jeff & Terri

Gold

Account Name: Jeff & Terri GoldHome:Street:Work: (000) 000-0000City: PeoriaCBR:State: AZ Zip: fis: E-MailUtility Company: Arizona Public Service CompanyDivision: ElectricContact Name:Contact Phone:Nature of Complaint:\*\*\*\*\*REFERRED FROM COMMISSIONER KENNEDY'S & COMMISSIONER NEWMAN'S OFFICES\*\*\*\*\*  
\*\*\*\*\* ALSO, provide a copy of closed complaint to Carolyn Buck, record purposes \*\*\*\*\*

Jeff &amp; Terri Gold

Morristown, AZ

Arizona Corporate Commission  
1200 W Washington  
Phoenix, AZ 85007

December 1, 2010

Commissioner Paul Newman  
Commissioner Sandra KennedyArizona Corporation Commission  
DOCKETED

APR 28 2011

DOCKETED BY

Dear Mr. Newman &amp; Ms Kennedy,

I'm writing in regards to dealings with APS in the last 6 years and it is a rather long story but after speaking with several APS employees in the Surprise office I've gotten nowhere. They all have been sympathetic to my circumstances and if they could, would rule in my favor but tell me it is out of their hands due to policy set by the AZCC. This is the reason for my letter & I picked you as in reading your bio you have a great interest in renewable energies and Commissioner Kennedy for voting against the TS-5 to TS-9 lines & my grievance with APS is involves on both topics.

We purchased 5 acres east of 211th Ave and just south of Hwy 74 in 2004. Prior to purchasing I spoke with APS regarding our location and approx costs to bring power to us, routing to do so, etc. I was told I would get the first 1000' free up 211th Ave which would help as we had to bring over 5000'. Estimated cost at that time

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from APS was approx \$40K. We followed thru and purchased the land and started planning our dream oasis in the desert and saving money to start construction. We had to acquire an ingress/egress easement for access as the parcel was land locked by state land that took about 18 months. Once we gained access we started to obtain permits and making improvements, all the while keeping in touch with APS on bringing power to us.

First snag came when we finally had our building permit for our house and presented it to APS we were informed they could no longer give the 1st 1000' free for our service. Secondly snag was price from APS was nearly double what they had estimated in 2004 to bring service in. We were in complete disbelief that this could be happening but we had no choice but to move forward with construction under way we needed electricity.

APS Construction West Office engineered the job for poles to continue up 211th Ave from last pole to our driveway at Irvine Rd then we would come underground from that point 1/4 mile to our new home. This all sounded good, except price, and we agreed this is what we would do. As construction was to begin APS discovered there was no easement along 211th Ave to use this route, shouldn't they have known that prior to this point? This put us back to square one and our house was well under construction the fall of 2007, nearly 6 months after I presented APS with my building permit there was no sight of power to our house happening anytime soon.

At that point we started exploring other options of being off grid with a solar system as it was looking more and more like APS was not going to be able to bring power to us as they had been telling me for 3 years. In December of 2007 we had a solar system installed so we could generate our own power until APS could get their act together. It provided instant power and if and when APS could get power here it would then become a grid feed system.

Finally with a source for power I started working on how to get APS power here. I contacted several adjacent land owners with the idea of obtaining a utility easement from them to come "cross country" from the south. I was very lucky to get 100% support from 3 separate land owners. I presented this info to APS ROW individual who in turn did a sight visit and determined this would be a viable route and started the process of creating the legal easements. The construction manager then had to re-design the job to be 100% underground to entire route but it looked promising that it could be done.

By this time nearly a year had gone by since I had given APS my building permit, an excessive amount of time to bring power to a new residence don't you think? Finally in late July of 2008 we were hooked up to grid power at a cost of approx \$75K out of my pocket. I was then "forced" (sign or we don't pull the wire) to sign a minimum facility charge document that if I didn't use enough power I would be charged additional amount each year, what choice did I have when thrown that curve ball at the last minute.

My savior was going to be that now that there was access to power my neighbors to the south were going to split up and sell off their 35 acres in 5 acre parcels and I would re-coup some of my expenses by "latecomer" fees APS would charge when they hooked into the line we put in. Well that was a great idea but then the AZCC approved, much to our dismay and protest, the TS-5 to TS-9 transmission line that will run along Joy Ranch Road eating up 1500' easement only 2000' south of our location. This basically makes their land worthless as who would want to build right under these transmission lines so I will never be able to get my "latecomer" fees back from APS for our initial construction costs.

Here is the icing on the cake, I mentioned earlier about the minimum facility charges, well I got my first bill a few months ago for \$1500+. Due to the efficiency of my solar system and selling power back to APS and doing my part to be "green" and a good steward for renewable energy I now don't buy enough power from APS and they want to charge me for power I don't use because I'm selling it back to them. Do you see anything wrong with this whole picture?

So here we sit in our beautiful location soon to be looking at huge transmission lines in our view corridor to the south, no ability to re-coop any money from APS for the lines brought in to service the land around me which now can't/won't be developed due to transmission lines and APS wanting me to cough up an additional



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Carmen,

I have investigated Jeff and Terri Gold's concerns with the cost to extend service to their home in Morristown.

Company records indicate the Gold's first contacted APS on November 13, 2006. APS met the customer on site at their property and followed up with a letter containing the list of items needed to begin the design. In order for APS to begin the line extension process of designing a job, the customer must first provide APS several documents. These documents are:

- Property owner name and phone number. If transfer of ownership has not been completed, provide both the current owner and proposed owner.
- Copy of the Building Permit.
- A copy of the most current deed.
- Copy of the Site (or Plot) Plan. The Site Plan is to include:
  - 1) Location / orientation of home, driveway, fence.
  - 2) If changes occur, please provide an updated copy of the Site Plan
  - 3) Location of septic system
  - 4) Location of well and/or water lines
- A map of the location with all pertinent street names, directions and distances.
- A copy of the results of certified survey.

The job did not move forward until the Gold's signed an "Agreement to Construct Electric Distribution Facilities" on May 4, 2008. APS designed the job per Section 3.1 of Schedule 3, Revision No. 8 dated April 1, 2005 which was based on an Economic Feasibility Study.

The job required APS to extend single phase underground primary wire approximately 5600 feet and 200 feet of service wire to service a new 200 amp residential service entrance section (SES). The job also required APS build a single phase primary dip and install four (4) switching cabinets and a 75 kVA transformer. Mr. and Mrs. Gold paid \$33,008 and the job was completed and the meter was installed on July 15, 2008.

I spoke with Mrs. Gold on 01/06/11 and she is unhappy she must pay an annual facilities charge of \$1456.00. She understands it was part of the "Agreement to Construct Electric Distribution Facilities" contract she and her husband signed but disputes that they are required to pay it at all. I advised her I would investigate her concerns and let her know.

We then briefly discussed the 1000 feet free rule and I explained to her that, unfortunately, her job did not qualify for free footage since the cost of the job exceeded \$25,000 (per Section 1.1.3 of Schedule 3, Revision 8).

Additionally, the Gold's currently have a solar system and are billed on the EPR-6 rate with the E-12, Standard Rate. The EPR-6 rate is a net metering rate which compensates customers at a full retail rate for the surplus power they generate and sell back to APS. Mrs. Gold indicated to me they are winter visitors and use their solar system quite a bit but they have horse property and 20 horses. She routinely waters the horse arena and utilizes more energy than what their solar system produces so they always need to buy from APS. I performed a rate comparison and the Gold's are on the most beneficial rate for the home's usage.

I committed to follow up with Mrs. Gold regarding the annual facilities charge. I will update you once I have more information.

Thanks,

Angela Allison  
APS Sr. Consumer Advocate

**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

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From:  
Sent: Wednesday, February 02, 2011 3:17 PM  
To: Carmen Madrid  
Subject: ACC Complaints: Gold, Jeff & Terri - Complaint No. 91705 (Advocate Ref # 20458)

Update:

I spoke with Terri Gold on 02/01/11 and explained to her that APS extended service to her home based on an Economic Feasibility Study. This study is essentially a "cost of service" study or analysis to extend service to a home. The analysis indicates the distribution revenue generated from electric sales to the customer must be adequate to support the cost of the extension plus related backbone infrastructure. Economic feasibility is established when the rate of return earned on the line extension and facilities are greater than or equal to the minimum acceptable rate of return for the customer's rate class.

If the advance equals the local or added investment (or is capped short of such investment), but still does not result in a minimum acceptable rate of return, the customer is required to pay an annual facilities charge in addition to the refundable advance paid. The facilities charge is treated as additional revenue, which increases the rate of return. The annual facilities charge may be reduced and/or eliminated based on subsequent Economic Feasibility Study calculations that determine if the extension meets economically feasible because revenues have exceeded expectations, investment has been reduced over time or some combination of these and other factors.

I informed Mrs. Gold that APS has performed subsequent calculations which determined the annual facilities charge could be reduced from \$1456.00 to \$817.00. Additionally, I informed her she would remain eligible for a refund on the advance (\$33,008.00) initially paid to extend and install electric facilities based on the distribution revenue. This revenue requirement must be achieved within five years from the date the Extension Agreement is signed by APS. Any advances which have not been totally refunded, shall be considered a Contribution in Aid of construction and shall not be refunded. The annual facilities charge will continue after five years, unless it is eliminated by subsequent economic feasibility studies. Mrs. Gold was pleased.

I have attached a copy of the "Agreement to Construct Electric Distribution Facilities" for your files. Please let me know if you have any questions.

Thanks,

Angela Allison  
APS Sr. Consumer Advocate

\*End of Response\*

**Investigator's Comments and Disposition:**

12/8/10 e-mailed to APS

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1/4/11 I tried to contact Angela @ APS and I left her a voicemail regarding any updates she may have in reference to this line extension complaint.

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From: [Carmen Madrid  
Sent: Tuesday, January 04, 2011 2:17 PM  
To:  
Subject: [Line extension of service from APS

January 4, 2011

**ARIZONA CORPORATION COMMISSION**  
**UTILITY COMPLAINT FORM**

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Dear Mr. & Mrs. Gold

My name is Carmen Madrid and I am a Public Utility Consumer Analyst in the Utilities Division of the Arizona Corporation Commission.

I have been assigned to handle your complaint on behalf of Commissioner Newman and Commissioner Kennedy.

I have sent your complaint to APS and they responded stating that they are researching further details on that job. Today, I left a voicemail with an APS representative requesting any updates on their research.

The company indicates that they tried to contact you but that your telephone does not have voicemail or a recording machine.

I tried contacting you on the number that was provided by APS and I also did not get a pick up or voicemail.

Please provide me with a correct telephone number to contact you. If you have any questions you may contact me at

Regards,

Carmen Madrid  
Public Utility Consumer Analyst  
Arizona Corporation Commission  
Utilities Division  
1200 W. Washington  
Phoenix, AZ 85007  
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From:  
Sent: Tuesday, January 04, 2011 4:19 PM  
To: Carmen Madrid  
Subject: Re: Line extension of service from APS

Hi Carmen -

We are here in AZ for the winter and the phone in CO is turned off for the winter, sorry. I can be reached on my cell till April, I would welcome discussing the matter further with you via phone or in person and welcome working with APS for a positive outcome.

Regards  
Terri Gold  
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1/11/11 response received from APS, Angela is still investigating and will update any information.  
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2/2/11 Update received from APS. I contacted Ms. Gold and I relayed the information to her.

She states that Angela @ APS was very helpful in helping reduce her yearly fee. Ms. Gold states that because of the decision to install these lines within her area she will never recoup her \$33,008 investment. She states that now that the transmission lines will be installed at this location nobody will be wanting to buy land in this area.

This is a Line Siting Committee matter to approve this route to install transmission lines.

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Filed in Docket No. L-00000D-08-0330-00138. Closed  
\*End of Comments\*

Date Completed: 4/27/2011

Complaint No. 2010 - 91705

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Un-Substantiated

Notes: